Approved For Release 2006/10/19 : CIA-RDP59-00882R000200200050-9

Executive Registry
7-0444

S-E-C-R-E-T

17 May 1955

MEMORANDUM FOR: Project Review Committee

THROUGH: Deputy Director/Intelligence

SUBJECT: Proposed External Research Project, "The Agricultural Economy of the USSR"

1. Transmitted herewith is an outline for a proposed project on "The Agricultural Economy of the USSR."

25X1 2. The availability of the support required by the [redacted] has been confirmed through the Office of Operations, Contact Division.

[redacted]

25X1

Assistant Director
Research and Reports

Enclosure:
Project Outline

25X1

CONCURRENCE:

[redacted] *

MAY 17 1955
Date

* Funds are available within the DD/I allocation for the current fiscal year.

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PROJECT OUTLINE

Project Cryptonym or Subject: The Agricultural Economy of the USSR

Sub-Project Cryptonym or Identification: N.A.

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Amendment No.: N.A.

Originating Division:

a. Office Head:

b. Area Chief:

c. Monitor:

d. Case Officer

Target Area: N.A.

Type of Project: Economic and statistical research.

Funds Requested: $47,720.00 for Fiscal Year 1955 and 1956 (to be available until completion of the project -- estimated completion date 30 September 1957). 25X1

Current Status: "New"

1. OBJECTIVE: The object of the proposed project is to produce studies of the potential economic growth of the agriculture of the USSR from unclassified data in order to supplement the research on regular projects undertaken by the Office of Research and Reports.

2. ORIGIN AND POLICY GUIDANCE:

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a. Origin: The proposed program originated following an assessment of the research required to provide proper coverage of the USSR agricultural economy by

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b. Whence Proposed: Headquarters.

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3. SITUATION: The study of the potential economic growth of the agriculture of the USSR is a very important aspect in the understanding of the long-run capabilities of the Soviet economy. Agriculture still uses upwards of half of the total labor supply of the USSR and its requirements for petroleum and fertilizers represent significant proportions of the total output of the oil and chemical industries. If agriculture continues to languish and achieves a rate of output growth no larger than the population growth, the consumer in the USSR can look forward to little improvement in his consumption level, not only for food but for other consumption items as well.

Considerable unclassified data exist on the agricultural economy of the USSR which ORR with its present resources has not been able to assimilate. In particular, ORR has not been able to develop studies on the following three major areas bearing on the economic growth of the agriculture in the USSR:

a. The first area is a study of growth of output over the past several decades, with emphasis on the determination of the major factors responsible for the growth. An effort will be made to estimate the separate contributions of increased inputs and of the combined effects of changes in technology and organizational efficiency.

b. The second area consists of a study of the institutional or organizational structure of the agriculture of the USSR and the implications of this structure and changes in it, to economic growth.

c. The third area includes the analysis of possible changes in the quality and quantity of inputs used in agriculture for some specified periods of time and the probable consequences upon output. The third area involves a coordination of the other two, but it also implies viewing agriculture as a part of the entire economy in the sense that resources allocated to agriculture leave alternative uses in the rest of the economy. 25X1

4. PROPOSAL: It is proposed that [redacted] undertake the exploitation and analysis of economic data bearing on the potential economic growth of agriculture of the USSR in accordance with the outline below: 25X1

a. Three specific research studies are needed. They are:

(1) Growth of output for the past several decades.

(2) Institutional organizational structure of the agriculture of the USSR.

(3) Change in quality and quantity of inputs used in agriculture since 1930.

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b. These studies will be mainly from primary unclassified (including non-Russian sources, but will be organized so that they can be easily integrated into work underway in ORR. These studies are designed to result in both qualitative analysis and statistical computations accompanied by thorough documentation.

5. OPERATIONAL OUTLINE:

a. Sub-proposals or "tasks": N.A. 25X1A

b. [redacted]

c. Indigenous groups and/or leaders: N.A.

d. Target groups: N.A.

e. Duration: Approximately 27 months to completion.

f. Graphic illustrations: N.A.

6. SECURITY:

a. Cover: Agency interest in this contract will be classified SECRET. This contract will be handled on a classified contract basis.

b. Knowledgeability: Sponsorship of this project by CIA will be made known only to cleared representatives of those government agencies having a specific interest in this project.

c. Operational Security: Will be implemented as necessary to protect the project classification.

d. Risks: No undue reactions or repercussions in the event of compromise are anticipated. The research work itself will be unclassified and will become classified only when incorporated into the work being done inside CIA.

e. Personnel disposal: N.A.

f. Disaster Plan: N.A.

7. COORDINATION:

a. Relation to other projects: In accordance with DCID 15/1, which requires projects in support of economic intelligence production

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over $5,000 to be submitted to the EIC for review, this project was submitted to the EIC Subcommittee on Agriculture and subsequently to the EIC. In both of these committees, the State Department maintained the position along the following lines. Although not objecting to the project, the State Department called attention to three private projects which they believed to be closely related and possibly partially duplicating the proposed project. ORR has carefully considered available information on the three private projects.

(1) Project by Dr. George S. Kuznets of the National Bureau of Research: This project began in mid-1953 following a grant by the Rockefeller Foundation. Its principal officer is Raymond W. Goldsmith. It is divided into four separate sections: (a) input-output studies, (b) industry, (c) agriculture, and (d) transportation and labor. It is scheduled for completion in full by mid-1956. Dr. Kuznets is the principal officer for the agricultural section of the project, the title of which is "What Has Been the Growth of the Soviet Economy over the Last Three Decades?" Review of the content of the Kuznets study had been made prior to the present proposal. The Kuznets study is not directed at the objectives of the present proposed project although certain parts of the study will be pertinent. Continued contact with the Kuznets research will be maintained and it is planned to avail ourselves of all information which can be of value.

(2) Project by Vladamir Timashenko, Professor Emeritus, Stanford University: Dr. Timashenko's project is entitled "Soviet Agricultural Development, 1939-1950," and it is expected to be completed in late fall. Dr. Timashenko is a consultant to the State Research Institute at Stanford University. From what ORR can learn of the Timashenko project, it is believed that for the period 1939-1950 the project will provide some information of value, applicable to the proposed study. However, the Timashenko study historically covers a shorter period and is not pointed to the detail of information needed in answer to questions covering the three major areas bearing on the economic growth of agriculture in the USSR as provided for in the ORR proposal.

(3) Council of Economic and Industrial Research: The Air Force has a contract with this Council to do research on Soviet and Satellite economic, industrial, and material development. In partial support of this project, the research group is collecting statistics on Soviet agriculture in support of target analysis. It is hoped that some of the statistics gathered in the Council's study can be of use in the proposed project.

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The State Department also made certain other comments which involved the administration of the project all of which have been noted and given just consideration in the ORR plan for accomplishing the project.

b. Significance within over-all program in area: The research proposed is basically supporting to recurring annual NIE's on long-term estimates of Bloc and Free World power position and on Soviet capabilities and strategic policy. The project does not duplicate existing research and will extend further the information on this strategic sector of the Soviet economy.

c. [redacted]

25X1

8. CONTROL:

25X1

a. Nature of: The project will be monitored by [redacted] Acting Chief, Materials Division, ORR.

b. Administrative Plan: NA

c. Reports: A mid-project and final report will constitue the major reports on the proposed project. Direct contact between the project monitor and interested offices and agencies will be encouraged where appropriate, and interim reports may, when possible, be designed to meet special needs. Reporting on progress will be made to the EIC Subcommittee on Agriculture, as appropriate, and to OSA/PC/DCI.

9. BUDGET DATA:

a. Total over-all funds required for Fiscal Year 1955: $47,720.00 (to be available until completion of the project -- approximately 30 September 1957).

b. Availability of CIA funds required: ORR funds are available in current Fiscal Year for obligation of the entire project.

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c. Non-CIA funds: NA 25X1

d. Foreign currency: NA

[redacted]

f. Financial History: NA

g. Future Requirements: NA

10. SUPPORT DATA:

a. Total CIA personnel: None 25X1

b. Material: None

c. [redacted]

d. Other CIA support: NA

e. Support required from other U.S. Agencies: NA

25X1

11. GENERAL CONSIDERATIONS:

[redacted]

b. Commitments: No commitments have been made to date.

c. Effectiveness: NA

d. Anticipated results: See #4 PROPOSAL above. ORR employes five full-time analysts exploiting the classified data on the USSR agricultural economy but does not have the capability to exploit the valuable unclassified material on the subject. The proposed project, under the competent direction [redacted] can be undertaken on a timely basis as external research, providing the results indicated in #4 above. This information will be invaluable in the production by ORR analysts of classified finished intelligence. 25X1

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[redacted]

f. Policy questions: NA

g. Congress: No Congressional implications are anticipated.

h. Extra-Agency action: NA

i. Proprietary companies: NA

j. Special considerations: NA

k. Liquidation: The project will terminate upon production of the final reports.

25X1

[redacted]

Assistant Director
Research and Reports

ORR/CIA
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TAB A

*BUDGET FOR THE PROJECT ON THE AGRICULTURAL ECONOMY OF THE USSR

I. Salaries and Wages:	
A. Project Director (1/2 time 2 years @ $12,000 per year)	$12,000.00
B. Research Associate (full-time 2 years @ $6,000 per year)	12,000.00
C. Translator (1/2 time for 18 months @ $4,000 per year)	3,000.00
D. Graduate Assistant (1/2 time for 2 years @ $2,400 per year)	2,400.00
E. Secretarial (part-time)	1,500.00
II. Consultant and Special Services	1,000.00
III. Domestic Travel	2,000.00
IV. Special Project Material	500.00
V. Report Printing	960.00
Total Direct Cost	$35,360.00
Indirect and Overhead Costs . .	12,360.00
TOTAL COST	$47,720.00

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